

1-1 By: Thompson of Harris (Senate Sponsor - Carona) H.B. No. 2462
 1-2 (In the Senate - Received from the House April 22, 2013;
 1-3 April 25, 2013, read first time and referred to Committee on
 1-4 Business and Commerce; May 8, 2013, reported adversely, with
 1-5 favorable Committee Substitute by the following vote:
 1-6 Yeas 7, Nays 0; May 8, 2013, sent to printer.)

1-7 COMMITTEE VOTE

| | Yea | Nay | Absent | PNV |
|------|-----|-----|--------|-----|
| 1-8 | | | | |
| 1-9 | X | | | |
| 1-10 | X | | | |
| 1-11 | X | | | |
| 1-12 | X | | | |
| 1-13 | X | | | |
| 1-14 | | | X | |
| 1-15 | | | X | |
| 1-16 | X | | | |
| 1-17 | X | | | |

1-18 COMMITTEE SUBSTITUTE FOR H.B. No. 2462 By: Carona

1-19 A BILL TO BE ENTITLED
 1-20 AN ACT

1-21 relating to automobile club memberships offered in connection with
 1-22 certain motor vehicle retail installment contracts.

1-23 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-24 SECTION 1. Section 348.005, Finance Code, is amended to
 1-25 read as follows:

1-26 Sec. 348.005. ITEMIZED CHARGE. An amount in a retail
 1-27 installment contract is an itemized charge if the amount is not
 1-28 included in the cash price and is the amount of:

1-29 (1) fees for registration, certificate of title, and
 1-30 license and any additional registration fees charged by a full
 1-31 service deputy under Section 520.008 [~~502.114~~], Transportation
 1-32 Code;

1-33 (2) any taxes;

1-34 (3) fees or charges prescribed by law and connected
 1-35 with the sale or inspection of the motor vehicle; and

1-36 (4) charges authorized for insurance, service
 1-37 contracts, warranties, automobile club memberships, or a debt
 1-38 cancellation agreement by Subchapter C.

1-39 SECTION 2. Subchapter E, Chapter 348, Finance Code, is
 1-40 amended by adding Section 348.414 to read as follows:

1-41 Sec. 348.414. AUTOMOBILE CLUB MEMBERSHIP OFFERED IN
 1-42 CONNECTION WITH RETAIL INSTALLMENT CONTRACT. (a) A retail seller
 1-43 may, at the time a retail installment contract is executed, offer to
 1-44 sell to the retail buyer an automobile club membership.

1-45 (b) The retail seller shall give the retail buyer written
 1-46 notice at the time the retail installment contract is executed that
 1-47 the retail buyer:

1-48 (1) is not required to purchase the membership as a
 1-49 condition for approval of the contract; and

1-50 (2) is entitled to cancel the membership and receive a
 1-51 full refund of the purchase price of the membership before the 31st
 1-52 day after the date the contract is executed.

1-53 (c) The retail seller shall notify the retail buyer if the
 1-54 membership includes services that are provided by the manufacturer
 1-55 as part of the motor vehicle purchase.

1-56 (d) The amount charged for a membership as authorized by
 1-57 Subsection (a) must be reasonable.

1-58 SECTION 3. The changes in law made by this Act apply only to
 1-59 a retail installment contract executed on or after the effective
 1-60 date of this Act. A retail installment contract executed before the

2-1 effective date of this Act is governed by the law in effect when the
2-2 retail installment contract was executed, and the former law is
2-3 continued in effect for that purpose.

2-4 SECTION 4. This Act takes effect September 1, 2013.

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